

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Commercial Licensing
233 Richmond Street
Providence, RI 02903

Commercial Licensing Regulation 12 - Travel Agencies and Agents

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Section 1 **Authority**

These rules and regulations governing the conduct of travel agencies and travel agents (hereinafter referred to as the "Rules") are adopted pursuant to the authority vested in the Director of the Department of Business Regulation of the State of Rhode Island under R.I. Gen. Laws § 5-52-1 *et seq.* (the "Act").

Section 2 **Purpose**

The purpose of these Rules is to create standards and procedures for the issuance of travel agency, travel manager and travel agent licenses and apprentice permits and to generally assist the Department of Business Regulation in carrying out the administration and enforcement of the terms and provisions of the Act so that the public interest may be effectively served.

Section 3 **Definitions**

When used in these Rules, the following words, except as otherwise required by the context, shall have the following meaning:

- (a) "Applicant" means any Person filing an application for a License to be a travel agency, travel manager or travel agent.
- (b) "Apprentice" means any Person filing an application for a Permit to assist in the performance of a travel agency.

- (c) "Department" means the Department of Business Regulation.
- (d) "Director" means the Director of the Department of Business Regulation.
- (e) "Division" means the Division of Commercial Licensing and Regulation.
- (f) "License" means the Department license issued to a travel agency, travel manager or travel agent in accordance with the Act.
- (g) "Licensee" means the Person to whom a License was issued.
- (h) "Non-Resident" means any Person who maintains a primary domicile and place of residence in a state other the State of Rhode Island.
- (i) "Permit" means the Department permit authorizing an Apprentice to engage in the conduct permitted by the Act.
- (j) "Permittee" means the Person to whom a Permit is issued.
- (k) "Person" means any individual, partnership, corporation, limited liability company, association, sole proprietorship, public or private organization or any other entity, however formed.
- (l) "Supervising Travel Agency" or "Supervising Travel Agent" means a licensed Travel Agency or Travel Agent who employs an Apprentice and agrees to be responsible for the acts of the Apprentice in accordance with the Act.
- (m) "Travel Agency" shall have the meaning provided in the Act.
- (n) "Travel Agent" shall have the meaning provided in the Act.
- (o) "Travel Manager" shall have the meaning provided in the Act.
- (p) "Travel Services" shall have the meaning provided in the Act.

Section 4 Licenses/Permits

(a) General Requirements. No Person shall act or hold himself, herself or itself out as a Travel Agency, Travel Agent or Travel Manager engaged in the business of providing Travel Services without first obtaining a License from the Department. Any Person wishing to obtain a License shall make written application for such License on the forms prescribed by the Department. Before accepting the application for processing, the application shall be completed in full and shall be accompanied by a non-refundable fee in the amount specified by the Act.

Upon receipt of the License application, the Division shall review the application to determine if

it is in compliance with the requirements of the Act and these Rules. The Division may require that the Applicant submit such additional information as the Division may deem necessary to enable it to complete its evaluation of the application.

(b) Travel Agency License Minimum Qualifications. Each Applicant for a Travel Agency License shall meet the requirements of R.I. Gen. Laws § 5-52-2 and R.I. Gen. Laws § 5-52-4.2 of the Act. In addition, all Applicants shall submit evidence of compliance with local zoning laws. All bonds filed with the Department pursuant to R.I. Gen. Laws § 5-52-4 of the Act shall provide that the bond shall not be canceled or terminated except upon thirty (30) day's prior written notice to the Department.

(c) Travel Manager License Minimum Qualifications. Each Applicant for a Travel Manager License shall meet the requirements of R.I. Gen. Laws § 5-52-2.1 and R.I. Gen. Laws § 5-52-4.2 of the Act.

(d) Travel Agent License Minimum Qualifications. Each Applicant for a Travel Agent License shall meet the requirements of R.I. Gen. Laws § 5-52-3 of the Act.

(e) Apprentice Permit. No Person shall be an Apprentice without first obtaining a Permit from the Department. Any Person wishing to obtain a Permit shall make written application for such Permit on the forms prescribed by the Department. Before accepting the application for processing, the application shall be completed in full and shall be accompanied by a non-refundable fee in the amount specified by the Act.

Upon receipt of the Permit application, the Division shall review the application to determine if it is in compliance with the requirements of the Act and these Rules. The Division may require that the Applicant submit such additional information as the Division may deem necessary to enable it to complete its evaluation of the application.

(f) Apprentice Permit Minimum Qualifications. Each Applicant for an Apprentice Permit shall:

- (1) meet the requirements of R.I. Gen. Laws § 5-52-4.3 of the Act; and
- (2) be employed by a duly licensed Supervising Travel Agency or Supervising Travel Agent who shall file a statement under oath that in his or her opinion the Applicant is competent and trustworthy and is recommended as a suitable Person to be granted an Apprentice Permit.

The suspension, revocation, expiration, cancellation or other termination of a Supervising Travel Agency or Supervising Travel Agent License by the Director shall automatically cause the cancellation of every Apprentice Permit granted to any Person by virtue of his/her employment with that Supervising Travel Agency or Supervising Travel Agent. The Apprentice may retain his/her Apprentice Permit by transferring to the employment of another licensed Supervising Travel Agency or Supervising Travel Agent within thirty (30) days, provided the request for transfer is made to the Director in writing and the Apprentice supplies the statement from the new Supervising Travel Agency or Supervising Travel Agent required in (2) above.

Section 5 Miscellaneous

- (a) Every Licensee and Permittee shall display his/her or its License or Permit in the full and unobstructed view of the public at the applicable place of business or employment.
- (b) Every Licensee and Permittee shall maintain a definite address, either residential or commercial, which shall be used as an address of record on the application. Post office boxes shall not be used as an address, although they may be used in addition to a definite address, for mailing purposes only.
- (c) Written notice shall be given to the Director by each Licensee or Permittee within ten (10) days of any change in mailing, business or residences address, or any change in any information reported on the most recent application.
- (d) All Licenses issued pursuant to the Act shall not be transferable except that a bona fide purchaser of a Travel Agency may continue to use the Travel Agency License of that Travel Agency for up to forty-five (45) days from the date of purchase, provided that (i) the bona fide purchaser notifies the Department in writing and obtains preliminary approval from the Department and (ii) the bona fide purchaser applies for a new License within fifteen (15) days from the date of purchase.
- (e) Travel Agency Licenses shall be valid only as to the Travel Agency and the premises identified in the application and permanent branch offices. The location of the Travel Agency shall not be changed without ten (10) days prior, written notice to the Director.
- (f) Any branch area office of a Travel Agency or any Travel Agent representing a Travel Agency, providing Travel Services within the state for any Travel Agency which has its principal place of business outside of the state shall be subject to all of the terms and provisions of the Act.

Section 6 Disclosures; Fiduciary Duties

In addition to the fiduciary duties and other obligations required by R.I. Gen. Laws § 5-52-6 of the Act, a Travel Agency or Travel Agent shall be required to make certain disclosures when providing Travel Services. A Travel Agency or Travel Agent representing such Travel Agency shall not receive money or other valuable consideration in payment for Travel Services or any other services offered in conjunction therewith unless at the time or before the time of such receipt the Travel Agency or Travel Agent furnishes to the Person making such payment a written statement and/or statements setting forth the following information:

- (1) The name, business address and telephone number of the Travel Agency;

- (2) The amount paid, the date of such payment, the purpose of the payment made and a statement of the balance due, if any;
- (3) The name of the carrier with which the Travel Agency or Travel Agent has contracted to provide the transportation, and the date, time and place of the departure, if available; and
- (4) All of the conditions and restrictions, if any, in the event any party wishes to cancel the Travel Services, and the rights and obligations of all parties in the event of such cancellation.

Upon any cancellation of Travel Services, through no action of the purchaser, all sums paid to the Travel Agency/Travel Agent for services not performed in accordance with the contract between the Travel Agency/Travel Agent and the purchaser will be, unless the purchaser otherwise advises the Travel Agency/Travel Agent in writing, refunded in accordance with the applicable terms and provisions of the Act.

Whenever a Travel Agency/Travel Agent is forced to substitute accommodations, it must notify the purchaser whether or not the substitute accommodations provided for the purchaser as a replacement shall be of substantially equal quality to that accommodation originally contracted for. The differences in accommodation must be clearly expressed in writing to the purchaser. If the accommodations are not of substantially equal quality, the Travel Agency/Travel Agent shall refund to the purchaser any monies lost in accordance with R.I. Gen. Laws § 5-52-6 of the Act.

Section 7 Forbidden Practices

In addition to the provisions of R.I. Gen. Laws § 5-52-6.1 and R.I. Gen. Laws § 5-52-7 of the Act, the following practices shall be grounds for a suspension or revocation of a License:

- (1) misrepresentation of the quality of the kind of services available in connection with any trip or tour;
- (2) misrepresentation of the fares and charges for Travel Services or other services in connection therewith;
- (3) misrepresentation that special priorities for reservation are available when such special considerations are not in fact granted;
- (4) sale to a Person on a reservation or charter basis for specified space, flight or time, or represent that such definite reservation or charter is or will be available or has been arranged, without a binding commitment with a carrier for the furnishing of such definite reservation or charter as represented or sold;
- (5) sale or issuance of tickets or other documents to passengers to be exchanged or used for transportation if such tickets or other documents will not or cannot be legally honored by carriers for transportation;

- (6) misrepresentation of the requirements that must be met by a Person in order to qualify for a charter or group fare rate;
- (7) failing to account for or pay over money belonging to others;
- (8) advertising that Travel Agency's own group transportation or other related services are or may be available unless, prior to advertisement, such transportation or other services have been contracted for; and
- (9) offering free, or at reduced rates, tickets and other services to non-exempt individuals who are participating in group travel for their own aid in inducing others to purchase tickets for transportation or other services, except that nothing herein shall be construed to prevent tour operators allowed free or reduced fares under regulations issued by the Federal Civil Aeronautics Board, Air Traffic Conference or any other similar or successor agency or group, from accepting receipt or use of same.

Section 8 Records

All Licensees shall keep accurate and up-to-date records, books, accounts and other information (the "Records") on all travel arrangements made for purchasers. These Records shall be kept for a minimum of two (2) years. The Records shall be open to inspection at any time by an authorized representative of the Department.

Section 9 Advertising

No Travel Agency shall put before the public any advertisement in any form which contains any untrue, deceptive or misleading assertion, representation or statement of fact.

In any published advertisement or other solicitation which shows transportation fares, it shall be required that a statement be included to indicate whether the fare is a one-way fare.

When travel guides are mentioned in an advertisement or brochure, the role of the guide shall be clearly specified at some time prior to the trip in order to enable the purchaser to determine in advance whether the trip is a closely supervised trip or one in which the role of the guide is limited chiefly to supervising transfers between destination points.

Where an advertisement or brochure covers a range of tours, accommodations, prices, etc., the advertisement or brochure must show the lowest price package available. Where an advertisement or brochure specifies a number of services or locations to be included, it must clearly specify exactly which components of the package are available at the exact price quoted.

Section 10 Severability

If any provision of these Rules or the application thereof to any person or circumstance is held to

be invalid, such invalidity shall not effect other provisions or application of these Rules which can be given effect without the invalid provision or application, and to this end the provisions are declared to be severable.

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